



## TEXAS DEPARTMENT OF INFORMATION RESOURCES

P.O. Box 13564 ♦ Austin, TX 78711-3564 ♦ [www.dir.state.tx.us](http://www.dir.state.tx.us)

Tel: (512) 475-4700 ♦ Fax: (512) 475-4759

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September 10, 2007

To: DIR Customers

Re: CISV and TxMAS Changes

The purpose of this communication is to provide information regarding the elimination of the Catalog Information Systems Vendor (CISV) procurement method, effective September 1, 2007, and the transfer of the TxMAS Schedule 70 contracts to the Texas Department of Information Resources (DIR).

### Why was the CISV procurement method eliminated?

The Texas Legislature (80th Regular Session) eliminated the CISV procurement method through statutory changes passed in HB 2918. The CISV procurement method was initially established in 1998 to help state agencies purchase automated information systems (information technology (IT) commodities and services) via a different procurement method than the "low bid" process used at that time for purchases of more routine commodities and services. The program at that time also provided a certification of technology vendors, an aspect of the statutory requirements which was repealed several years ago.

In 2005, the Legislature mandated that state agencies procure IT commodities and services through the Texas Department of Information Resources statewide master contracts (HB 1516, 79th Regular Session). This statutory change, coupled with evolutions in the technology field and increased use of other best value procurement methodologies such as the RFP and RFO processes, have served to render the CISV program obsolete. Eliminating the CISV program streamlines the procurement process for IT commodities and services ("automated information systems") by eliminating redundant processes and administrative requirements that no longer served the purpose intended by the Legislature when it created the program. In addition, the elimination of the CISV program will make it easier for vendors to do business with the state, which ultimately serves to lower the costs of IT commodities and services purchased by Texas entities.

### How do I purchase IT commodity items (automated information systems) if I work at a Texas State Agency?

There are two options for state agencies:

**1) Purchase from a DIR contract** – This process has not changed with the elimination of the CISV program. State agencies are mandated to use the DIR



contracts unless the IT commodity class/item code is not available on a DIR contract, or the agency is granted an exemption pursuant to 1 T.A.C. Chapter 212.

Commodity codes previously designated as “CISV” codes will continue to be designated as commodity codes subject to DIR’s authority, but will now be known as IT Commodity Items instead and will still use the same procurement process as before the elimination of the CISV program. That is, procure these items from a DIR contract or obtain an exemption from DIR and procure the items through another procurement method.

**2) Purchase of items not available on DIR contracts** - The primary change for state agencies is the method used to procure IT commodity items that are not on a DIR contract. For those items that are not on a DIR contract, or for which an exemption has been granted by DIR, state agencies are required to use a procurement method, such as the traditional RFO/RFP processes, established by the Comptroller of Public Accounts (CPA) office. The CPA has adopted rules to govern these purchases which were published in the August 24, 2007, edition of the Texas Register. The Register can be accessed via the following link:  
[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac\\_view=5&ti=34&pt=1&ch=20&sch=H&rl=](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=5&ti=34&pt=1&ch=20&sch=H&rl=)

**How do I purchase IT commodity items (automated information systems) if I work at a local government entity (includes cities, counties, school districts)?**

Prior to the elimination of the CISV program, the state was required to make the catalog purchasing procedure available to local governments. In making the procedure available, local governments were provided the authority to use the CISV procedure if it was in the best interest of the entity, but not mandated to do so. Local governments retain the authority to purchase using any approved method allowed by the local government code and/or specific requirements of the local entities.

We have received feedback that many DIR customers believed that the CISV procedure was synonymous with the DIR Cooperative Contracting Program. However, for those local governments who use DIR contracts, there will be no changes in your procurement procedures resulting from the elimination of the CISV program.

Purchase Options for Local Governments:

**1) Purchase from a DIR contract** – The process of using the DIR cooperative contract program has not changed. All of DIR’s cooperative contracts for IT commodity and services have been competitively awarded and have met all of the State’s procurement requirements. Governmental entities simply contact the DIR contract vendors, request quotes and issue a purchase order directly to the vendor which provides the best value. All DIR contracted vendors are listed in the Store portion of the DIR Web site at the following link: <http://www.dir.state.tx.us/servlet/dirStore>

State statutes provide authority for local governments to purchase any IT commodity item included in a DIR contract without the need to issue an individual solicitation.

Specifically, Section 2157.006 (b), Texas Government Code states that if a local government purchases an IT commodity or service from a DIR contract, the procurement

satisfies any state law requiring the local government to seek competitive bids. In addition, Section 271.083(b), Local Government Code states that when a local government purchases an item under a state contract, it satisfies any state law requiring local governments to seek competitive bids for the purchase of the item.

**2) Purchases not made from a DIR contract** – The only change in this area is that local governments are no longer provided the authority to use the CISV purchasing procedure, which has been eliminated. As always, local government entities can use all purchasing procedures specifically authorized by their individual jurisdictions. In addition, Section 2167 of the Texas Government Code authorizes local governments to use a procurement method authorized by the State Comptroller of Public Accounts. The CPA has adopted rules to govern these purchases which were published in the August 24, 2007 edition of the Texas Register. The Register can be accessed via the following link:

[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac\\_view=5&ti=34&pt=1&ch=20&sch=H&rl=](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=5&ti=34&pt=1&ch=20&sch=H&rl=)

### **What happened to the TxMAS Schedule 70 contracts for IT Commodities and Services?**

The Texas Legislature (80th Regular Session) also gave DIR the statutory authority to enter into multiple award schedule contracts for IT Commodities effective September 1, 2007. As a result of this change, the TxMAS Schedule 70 contracts have been transferred to DIR. DIR has analyzed the TxMAS contracts for IT commodities and services, and based on a determination of the best interest of DIR customers, will cancel those contracts that overlap with current DIR contracts, or have little to no activity. The contracts that will continue will be amended to reflect the transfer from the Texas Building and Procurement Commission to DIR. Contracts that are terminated will be issued a 30 day notice of intent to terminate. A list of contracts that will continue and those that are terminated will be posted to the DIR Web site by September 17, 2007.

### **How can vendors get a DIR contract?**

DIR establishes master cooperative contracts with vendors to provide IT commodities and services. Once DIR has identified the need for a contract, based on customer needs, the process is as follows:

- DIR posts a Request for Offer (RFO) on the [Electronic State Business Daily \(ESBD\)](#) for the IT products or services. The posting will specify the products and/or services that are considered in scope of the solicitation. **Note:** It is the vendor's responsibility to check the ESBD site to find these RFOs.
- Interested vendors generally have 30 days to prepare and submit RFO responses to DIR.
- DIR evaluates the responses and invites vendors to negotiate based on the best value(s) for the state as defined by the Texas Legislature.
- DIR then negotiates contracts with one or more vendors.